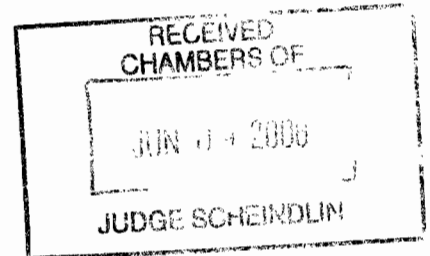


United States Attorney
Southern District of New York

The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007

June 4, 2008



VIA HAND DELIVERY

Honorable Shira A. Scheindlin
United States District Judge
United States Courthouse
500 Pearl Street, Room 1620
New York, NY 10007

Re: U.S v. \$1,399,000 Formerly on Deposit in Account No. 3844,
08 Civ. 1993 (SAS)

Dear Judge Scheindlin:

The Government writes to request an extension of the deadline, until July 1, 2008, by which it must disclose its preliminary expert report in the above-captioned civil forfeiture case, and asks permission to apply for this relief out of time. The Government seeks this brief extension because of the importance and complexity of obtaining the necessary expert opinions in this matter, and proposes that the Claimants will not be prejudiced by the delay.

Currently pending before the Court is a motion to dismiss pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, filed by Claimants Ivan Mejia Cabal and Carlos Fernando Mejia Cabal ("Claimants"). At the March 23, 2008 initial pre-trial conference, the Court directed that depositions be stayed while the motion is pending. Other than the depositions, discovery is to proceed pursuant to the March 26, 2008 scheduling order entered by the Court (the "Scheduling Order"). The Scheduling Order directs that expert depositions and all fact discovery be concluded by August 31, 2008. Any reports by the Government's experts were to be served by June 1, 2008, and any reports by the Claimants' expert were to be served by July 1, 2008, or 30 days after the Government has furnished its expert report.

Hon. Shira A. Scheindlin
June 4, 2008
Page 2

First, having failed to request this extension prior to the June 1, 2008 deadline for disclosure, the Government respectfully asks permission to seek this extension out of time. In calendaring the dates from the Scheduling Order, I improperly noted the expert report deadline. I was alerted to the impending due date by Claimants' counsel on Friday, May 30, in the course of our discussions regarding Claimants' objections to the Government's interrogatory responses. Conscious of the Court's deadline, but hoping to reach consensus with the Claimants both on the interrogatories and the Government's need for an extension, I spoke with counsel for the Claimants on Monday, June 2. While the parties agreed that the Government would prepare amended responses to a sub-set of the interrogatories, negotiations over the timing of the Government's expert report were unsuccessful. I was further delayed from making this application to the Court yesterday by multiple requests to restrain the imminent sale or transfer of criminal proceeds which the Government is seeking to forfeit in other cases. The Government understands the importance of adhering to the Scheduling Order and of seeking discovery-related relief in advance. I apologize to the Claimants and to Your Honor for the inconvenience my oversight and delay has caused, and ask that the Court consider this application out of time.

Second, as noted above, an additional 30 days is needed for the Government to serve its expert report. The Government claims that \$1,399,000 formerly on deposit in the Claimants' account at HSBC (the "Defendant Funds") are forfeitable as property involved in money laundering violations and violations of the federal narcotics laws. In support of this claim, the Government's expert will be asked to determine whether the Claimants' regular purchases of U.S. dollars from a peso broker in Colombia, from 2003 to September 2007, were in fact conducted on a parallel currency exchange market widely known throughout Colombia as one of the largest money laundering systems in the world. The expert's determinations will necessarily encompass multiple topics in the fields of finance and law enforcement, including the

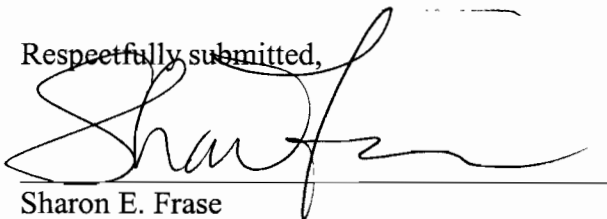
Hon. Shira A. Scheindlin
June 4, 2008
Page 3

introduction of narcotics trafficking proceeds into the international financial system, U.S. bank reporting requirements, the layering of various money laundering techniques, currency exchange practices in Colombia, and the lack of legitimately earned U.S. dollars in the informal or "black market" currency exchange system.

The Government respectfully submits that the Claimants would not be prejudiced by the requested extension. With the Claimant's motion pending, no depositions currently scheduled, and the likelihood of additional document discovery, there will be adequate time in which to review and respond to the Government's report. In addition, the report to be provided by the requested deadline will, at best, be of a preliminary nature. At this stage of the litigation, the report can contain only initial observations and hypotheses based on the allegations in the complaint, the expert's own knowledge of parallel markets, and the limited discovery exchanged to date. To render his or her full opinion, the expert will have to examine all of the relevant evidence – including that obtained during discovery – regarding the nature and circumstances of the Claimants' currency exchanges. Prior to that time, the report, by definition, will not be final. The Government ultimately may be prejudiced in producing this "rough draft," as the Claimants, during depositions or at trial, likely will seek to question the expert on all versions of the report.

Claimants' have informed the Government that they oppose the request for an extension, and intend to file written objections with the Court.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sharon E. Frase", written over a horizontal line.

Sharon E. Frase
Assistant United States Attorney
Telephone: (212) 637-2329

Hon. Shira A. Scheindlin
June 4, 2008
Page 4

cc: Alan Silber, Esq.
Alan Fine, Esq.

The time for the Government to submit its expert report is extended to July 1, 2008. The deadline for expert discovery is extended to September 30, 2008. Fact discovery is extended to September 30, 2008.

SO ORDERED:

Dated: New York, New York
June 6, 2008


Shira A. Scheindlin
U.S.D.J.